Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
CONNECT AMERICA FUND	)	**WC Docket No. 10-90**
	)	
A NATIONAL BROADBAND PLAN FOR OUR FUTURE	)	**GN Docket No. 09-51**
	)	
ESTABLISHING JUST AND REASONABLE RATES FOR LOCAL EXCHANGE CARRIERS	)	**WC Docket No. 07-135**
	)	
HIGH-COST UNIVERSAL SERVICE SUPPORT	)	**WC Docket No. 05-337**
	)	
DEVELOPING A UNIFIED INTERCARRIER COMPENSATION REGIME	)	**CC Docket No. 01-92**
	)	
FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE	)	**CC Docket No. 96-45**
	)	
LIFELINE AND LINK-UP	)	**WC Docket No. 03-109**
	)	
UNIVERSAL SERVICE REFORM – MOBILITY FUND	)	**WT Docket No. 10-208**

REPLY COMMENTS OF THE INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

Genevieve Morelli
Micah M. Caldwell
ITTA
1101 Vermont Ave., NW
Suite 501
Washington, D.C. 20005

March 30, 2012

Table of Contents

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
CONNECT AMERICA FUND	)	**WC Docket No. 10-90**
	)	
A NATIONAL BROADBAND PLAN FOR OUR FUTURE	)	**GN Docket No. 09-51**
	)	
ESTABLISHING JUST AND REASONABLE RATES FOR LOCAL EXCHANGE CARRIERS	)	**WC Docket No. 07-135**
	)	
HIGH-COST UNIVERSAL SERVICE SUPPORT	)	**WC Docket No. 05-337**
	)	
DEVELOPING A UNIFIED INTERCARRIER COMPENSATION REGIME	)	**CC Docket No. 01-92**
	)	
FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE	)	**CC Docket No. 96-45**
	)	
LIFELINE AND LINK-UP	)	**WC Docket No. 03-109**
	)	
UNIVERSAL SERVICE REFORM – MOBILITY FUND	)	**WT Docket No. 10-208**
	)	

REPLY COMMENTS OF THE INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

The Independent Telephone & Telecommunications Alliance ("ITTA") hereby submits its Reply Comments in response to the intercarrier compensation ("ICC") reform items covered in Sections XVII.L-R of the November 18, 2011 *Further Notice of Proposed Rulemaking* ("*FNPRM*") issued by the Federal Communications Commission ("FCC" or "Commission") in the above-captioned proceedings.[1]

[1] *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45; GN Docket No.

INTRODUCTION AND SUMMARY

Contrary to arguments raised by some commenters that the Commission should transition originating access rates to bill-and-keep immediately, ITTA believes that the Commission should refrain from reforming originating access rates at this time. Not only would it be useful to evaluate the consequences of the Commission's considerable reform efforts with respect to terminating access before proceeding with originating access reform, but also the concerns that led the Commission to focus its initial reform efforts on terminating access charges, *e.g.*, arbitrage, network efficiencies, and litigation costs, are not as prevalent with respect to originating access. More importantly, the Commission does not have clear authority to proceed with a bill-and-keep framework for originating access charges. Should the Commission nonetheless move forward with reductions or elimination of originating access charges, it is critical that the Commission couple such reform with a recovery mechanism for carriers. Such recovery mechanism should not preclude incumbent local exchange carriers ("ILECs") from recouping lost ICC revenues from their long-distance affiliates.

The Commission should refrain from adopting the proposal set forth by COMPTEL urging adoption of a bill-and-keep framework for all transport charges. COMPTEL argues that such reform is necessary due to the differences in network architecture between ILECs and competitive local exchange carriers ("CLECs"). COMPTEL's proposal would disrupt the delicate balance struck by the Commission's previous reform efforts and would undermine competition in the market for transport services, and as such, it should be rejected.

Nor should the Commission regulate transit service by mandating that it be provided at cost-based rates under section 251 of the Act. Given that the market for transit service is

---

09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("*Order*" or "*FNPRM*," as appropriate).

competitive and that such service is available from a variety of sources other than ILECs, the Commission should continue to leave the terms, conditions, and rates with respect to transit service to commercially-negotiated agreements.

The Commission also should refrain from adopting rules for IP-based points of interconnection ("POIs") at this time. Not only would devoting time to formulating such rules be a poor use of Commission resources, but also development of IP interconnection rules should in the first instance be left to the marketplace. However, should the Commission adopt IP interconnection rules, including POIs, it must ensure that such rules do not mandate network upgrades. Rules that govern IP networks simply are not appropriate for TDM networks. The existing POI rules for the exchange of TDM-based traffic have served the industry well and continue to be useful even as the industry transitions to an IP-based environment.

Finally, the Commission should refrain from interfering with carriers' ability to supplement subscriber line charge ("SLC") revenue with interstate common loop support ("ICLS"). Any revenue losses for interstate common lines that carriers are unable to recover from SLCs must be recovered from ICLS. In light of the fact that carriers' ability to rely on the Access Recovery Charge ("ARC"), transitional ICC-replacement Connect America Fund ("CAF") support, and SLCs will decrease over time as a result of the transition and the migration of subscribers to broadband, ICLS remains critical for carrier cost recovery and should be left in place.

I. THE COMMISSION SHOULD REFRAIN FROM REFORMING ORIGINATING ACCESS AT THIS TIME

Some commenters urge the Commission to move quickly to transition originating access rates to bill-and-keep.[2] However, as ITTA and others previously have explained, the regulatory

[2] *See, e.g.*, Comments of Comcast Corporation, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("Comcast Comments"), at 4; Comments of CTIA – the Wireless Association, WC Docket

uncertainty that has stemmed from terminating access charge reform and doubts as to the Commission's authority to follow a similar transition path for originating access rates are compelling reasons for the Commission to refrain from making any changes to originating access rates in the near term.[3] Moreover, it is not practical to consider reductions in originating access rates at this time if the overall reform plan must continue to operate within (and not exceed) the current $4.5 billion budget for the CAF.

The Commission recently adopted fundamental reforms to terminating access rates that will have a significant impact on carriers' financial and business operations for years to come. In the case of price cap carriers, it will be 2018 before these reforms are fully implemented; for rate of return carriers, the implementation period is longer and will not be complete until 2020.[4] It makes sense to allow the implementation of these reforms to occur and for the effects of these reforms to be monitored before additional steps are taken with respect to the rate elements that were not addressed in the *Order*.

Both the Commission and the industry need an opportunity to assess and respond to the new regulatory and business environment that is developing as a result of terminating access reform. Deferring originating access reform would allow the Commission and the industry to evaluate and properly address any unintended consequences that arise as the terminating access transition takes place. Moreover, refraining from changes that would impact originating access

---

Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 3-5; Comments of Time Warner Cable Inc., WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("TWC Comments"), at 18-19; Comments of XO Communications, LLC, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("XO Comments"), at 4-5.

[3] *See* Comments of the Independent Telephone & Telecommunications Alliance, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("ITTA Feb. 24th Comments"), at 2; *see also* Comments of Frontier Communications Corporation, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012); Comments of Alaska Communications Systems Group, Inc., WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 3-4.

[4] *See Order*, Figure 9, at p. 272-74.

revenues at this time would provide a degree of certainty and stability to carriers and their customers as carriers adjust to reductions in revenues resulting from the Commission's recently-adopted reforms. The Commission itself has recognized that "limiting reform to terminating access charges at this time minimizes the burden intercarrier compensation reform will place on consumers."[5]

Notwithstanding calls by some parties for the Commission to move forward with reductions in originating access rates immediately, there is no urgent need for the Commission to adopt such reforms. The Commission itself has acknowledged that some of the concerns that led it to prioritize reform of terminating access rates, such as network inefficiencies, arbitrage, and costly litigation, "are less pressing with respect to originating access…"[6] Thus, the Commission placed its initial focus on the transition for terminating access traffic, "which is where the most acute intercarrier compensation problems… currently arise."[7] As the Commission concluded, limiting reform to reductions in terminating access rates "allow[ed] a more manageable process" that not only helped "address the majority of arbitrage," but also helped "manage the size of the access replacement mechanism" adopted in the *Order*.[8] To proceed with originating access reform at this time would upset this delicate balance. Indeed, there is little additional benefit to be had in adopting originating access reform in light of the disruption it would cause in the midst of the changes to terminating access rates that are currently underway.

Should the Commission nonetheless proceed with originating access reform at this time, a bill-and-keep end state for originating access rates would not be appropriate. As ITTA and others have explained, the Commission's legal authority with respect to originating access is

[5] *Id.* at ¶ 739.

[6] *Id.* at ¶ 777.

[7] *Id*. at ¶ 800.

[8] *Id*. at ¶ 739.

limited and the Commission certainly has no legal authority to transition originating access rates to bill-and-keep.[9] As the Commission itself has acknowledged, "section 251(b)(5) does not explicitly address originating access charges."[10] Rather, "that section refers only to transport and termination," and thus, does not confer authority on the Commission to regulate originating access charges.[11]

Furthermore, a bill-and-keep end state for originating access is inconsistent with the pricing standards in Section 252.[12] Section 252(d)(2)(B) merely permits parties to voluntarily agree to arrangements that waive mutual recovery, such as bill-and-keep.[13] It does not confer authority on the Commission to mandate such requirements on carriers, and in fact, specifically prohibits them in situations where it would not "afford the mutual recovery of costs through the offsetting of reciprocal obligations," as is the case with originating traffic.[14] A mandatory bill-and-keep framework for originating access also does not satisfy the requirement under Section 201 that rates for the exchange of traffic must be "just and reasonable."[15]

Should the Commission proceed to adopt any decreases in originating access charges, it is imperative that it implement a recovery mechanism to ensure a reasonable glide path for carriers. The Commission should reject arguments raised by certain parties that it should limit or prevent revenue recovery because such recovery would over-compensate carriers or create

---

[9] *See, e.g.*, ITTA Feb. 24th Comments at 3; Comments of CenturyLink, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("CenturyLink Comments"), at 2-5; Comments of Cbeyond, EarthLink, Integra Telecom, and TW Telecom, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 5-9.

[10] *FNPRM* at ¶ 1298.

[11] *Order* at ¶ 777.

[12] 47 U.S.C. § 252.

[13] 47 U.S.C. § 252(d)(2)(B).

[14] 47 U.S.C. § 252(d)(2)(B)(i).

[15] 47 U.S.C. § 201.

disincentives to "modernize" networks.[16] To the contrary, drastically reducing or eliminating originating access with no alternative recovery mechanism would have a far-reaching negative financial impact that would prevent carriers from providing new broadband services to more customers and would exacerbate differences between urban and rural rates and services.[17]

Intercarrier compensation is a critical revenue component for many carriers, including ITTA members and other mid-size carriers serving high-cost rural areas. These carriers depend on intercarrier compensation revenues to maintain and upgrade the networks they have deployed and are using to provide broadband and voice services to consumers. Reductions in originating access revenues without adequate recovery would result either in substantially increased rates in rural areas, or substantially reduced revenues, either way frustrating the Commission's goals of expanding broadband deployment.

Moreover, the Commission should reject calls to limit recovery in situations where ILECs provide long-distance service through affiliates. As CenturyLink has pointed out, "there are many circumstances in which a reduction in originating access charges would cause a net loss of revenues for the LEC and its long-distance affiliate."[18] For example, given that carriers must offer long-distance service at heavily discounted rates due to both legislative mandate and the competitive pressures of the marketplace, the revenue gains realized from an affiliate's provision of long-distance service may not be proportional to the losses the ILEC incurs. Thus, while some commenters have characterized such recovery as an "imputation" rather than a "real payment," the Commission should not assume that recovery is unnecessary simply because the

---

[16] *See, e.g.*, TWC Comments at 19-20; Comments of Google Inc., WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 3.

[17] *See* ITTA Feb. 24th Comments at 3; Reply Comments of the Independent Telephone & Telecommunications Alliance, WC Docket Nos. 10-90, *et al*. (filed May 23, 2011) ("ITTA May 23rd Reply Comments"), at 18.

[18] CenturyLink Comments at 10.

long-distance service is being provided by the ILEC's affiliate.[19] There are legitimate reasons why the ILEC may be unable to recoup the cost of connecting an affiliated long-distance carrier to its customers, making recovery through a Commission-established recovery mechanism necessary.

II. THE COMMISSION SHOULD DECLINE TO TRANSITION ALL TRANSPORT RATES TO BILL-AND-KEEP

COMPTEL argues that the relative importance of transport in a carrier's network is largely the result of when the carrier's network was constructed.[20] According to COMPTEL, ILEC networks are comprised of relatively short loops connecting to a multiplicity of central offices. In general, these ILEC networks are interconnected through extensive use of interoffice transport. In contrast, newer CLEC networks are comprised of a small number of switches (typically one or less switch per market). CLECs have far less need for interoffice transport to connect switches and instead rely on long loop facilities to reach customers. Thus, "ILECs are able to access transport charges, but are unlikely to pay them."[21] The result, COMPTEL contends, is that the current intercarrier compensation reforms "distort competition by disproportionally reducing the revenues of modern networks (with little transport) relative to the revenues of incumbents (which rely extensively on transport to terminate local and long distance calls)."[22] COMPTEL's remedy for this "problem" is for the Commission immediately to adopt a transition to bill-and-keep for all transport elements.[23]

---

[19] *See, e.g.*, Comcast Comments at 5; Comments of T-Mobile USA, Inc., WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012) ("T-Mobile Comments"), at 18.

[20] Comments of COMPTEL, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 3.

[21] *Id*. at 5.

[22] *Id*.

[23] *Id*. at 5-7.

COMPTEL's proposal fails to take into account the very legitimate reasons why the Commission refrained from adopting a transition to bill-and-keep for all types of transport in the *Order*. The Commission recognized that the comprehensive intercarrier compensation reforms it was adopting would fundamentally impact the industry and it endeavored to prevent significant market disruption.[24] The Commission acknowledged the need to engage in "line-drawing" in the timing and steps for the transition to bill-and-keep to ensure against potential industry upheaval.[25] The transition plan, including the decision to limit the transition to bill-and-keep to tandem-switched transport where both the tandem and the end office is owned by the same carrier, was carefully crafted not to excessively burden carriers who today rely to a significant extent on intercarrier compensation revenues. COMPTEL's proposal would disrupt the *Order's* delicate balance between "promoting the migration to modern IP networks" and "enabling carriers sufficient time to adjust to marketplace changes" and therefore must be rejected. [26]

COMPTEL also fails to acknowledge the existence of competitive carriers such as Neutral Tandem who today offer interconnection and transport of traffic to terminating carriers' networks.[27] These carriers play an important role in the efficient delivery of traffic among carriers and their offerings are available to CLECs as an alternative to ILEC-provided transport. The reforms adopted by the Commission to date have reasonably balanced the Commission's interest in promoting bill-and-keep as an intercarrier compensation end state with its interest in facilitating a competitive marketplace. Adoption of COMPTEL's proposal, however, would

[24] *Order* at ¶ 809.

[25] *Id.* at ¶ 802.

[26] *Id*.

[27] *See, e.g.*, Comments of Neutral Tandem, Inc. d/b/a Inteliquent, WC Docket Nos, 10-90, *et al*. (filed Feb. 24, 2012).

negate that balance and would undermine the continued availability of competitive services that offer efficient indirect interconnection between originating and terminating carriers.

Moreover, COMPTEL ignores the fact that ILECs do not have the same flexibility as CLECs to recover access revenue reductions from end user customers. Unlike CLECs, ILECs typically are constrained by regulation from raising end user rates and cannot easily recoup lost access revenues through increased charges to retail subscribers. While CLECs are free to increase end user charges to respond to reductions in the access rates they typically charge other carriers, ILECs would not have the flexibility to increase retail rates to recoup lost revenues should the transition plan COMPTEL proposes be adopted. Thus, should the Commission adopt COMPTEL's plan or any other proposal to immediately begin reducing all terminating transport rate elements – which it should not do – provision would have to be made for recovery by ILECs of lost transport revenues.

At its core, COMPTEL's proposal derives from the premise that the terminating intercarrier compensation rate elements CLECs typically charge ILECs are being reduced faster than the rate elements CLECs typically purchase from ILECs. If this is indeed the case, the proper response is not to push for the Commission to disrupt the delicate balance represented by the transition plan adopted in the *Order*. COMPTEL instead should have urged the Commission to reconsider its decision to decline to adopt a separate and longer transition period for CLECs.[28]

III. TRANSIT SERVICE SHOULD REMAIN UNREGULATED

The Commission should reject arguments to regulate transit service by mandating cost-based rates for such service under Section 251(c)(2).[29] Today, transit service is offered via

[28] In the *Order*, the Commission failed to find a sufficient basis for adopting a separate transition schedule for CLECs. *Order* at ¶ 808. COMPTEL did not seek reconsideration of that decision.

[29] *See, e.g.*, Comments of Charter Communications, WC Docket Nos. 10-90, *et al.* (filed Feb. 24, 2012) ("Charter Comments"), at 21-22; Comments of the National Cable and

commercially-negotiated agreements and there is ample evidence that CLECs, cable providers, and wireless carriers that buy transit service have a number of alternatives for obtaining such service. Moreover, in addition to options for direct interconnection for transit service, a number of third-party alternatives for the purchase of transit service exist. Neutral Tandem (d/b/a Inteliquent), Level 3, Hypercube and other wholesale providers offer transit service, sometimes in direct competition with one another. CLECs and other providers have a choice for obtaining transit service from a variety of sources other than incumbent LECs.

In the absence of evidence that the marketplace does not offer competitive alternatives, there is no basis for the Commission to regulate transit service. The Commission should leave the terms, conditions, and rates for such service to commercial negotiations. Such an approach, which gives carriers the flexibility in their agreements to account for unique marketplace circumstances that may exist, is far more preferable to regulatory intervention by the Commission.

IV. THE COMMISSION SHOULD DEFER CHANGES TO ITS RULES REGARDING POINTS OF INTERCONNECTION TO A LATER DATE

Some parties have suggested that the Commission modify its interconnection rules to incentivize IP-based network deployment by adopting a regional approach for POIs modeled on Internet exchange points.[30] As a threshold matter, ITTA continues to believe that the transition from TDM to IP-based networks should occur through a natural marketplace evolution, as opposed to government regulation.[31] As ITTA previously has stated, addressing IP-to-IP

Telecommunications Association, WC Docket Nos. 10-90, *et al.* (filed Feb. 24, 2012), at 3-5; Comments of RCN Telecom Services, LLC, WC Docket Nos. 10-90, *et al.* (filed Feb. 24, 2012), at 5-7; Comments of Sprint Nextel Corporation, WC Docket Nos. 10-90, *et al.* (filed Feb. 24, 2012), at 63-68; T-Mobile Comments at 11-12.

[30] *See* T-Mobile Comments at 3-7.

[31] *See* ITTA May 23rd Reply Comments, at 2, 8-16 ("the market should govern how… providers convert to IP networks).

interconnection at this time would not be a prudent use of scarce government resources when there are much more pressing issues relating directly to USF and ICC reform that require the Commission's immediate attention.[32] Moreover, such action would be premature in light of ongoing, independent industry efforts to develop comprehensive guidelines to govern IP-to-IP interconnection for all providers.[33]

Should the Commission nonetheless proceed with IP interconnection rules, including any rules related to POIs, they should be limited to situations where IP networks have been deployed.[34] There should be no obligation for CAF recipients to interconnect on an IP basis at particular locations on the network when doing so would require the deployment of new technology to replace existing equipment and/or facilities that lack such capability. Such an obligation would be exceedingly costly to implement and contrary to established legal principles that authorize the Commission to mandate interconnection obligations only with respect to a carrier's existing network facilities.[35]

Moreover, from a practical standpoint, an Internet backbone model of POIs is not feasible for interconnection of TDM traffic among LECs. The current POIs for exchanging such traffic are well-established, have facilitated a competitive marketplace, and will continue to serve a valid purpose until IP-based interconnection becomes ubiquitous. Furthermore, a regional POI approach for TDM traffic would raise costs, particularly for small carriers, for no compelling

---

[32] *See* ITTA Feb. 24th Comments at 7; Comments of the Independent Telephone & Telecommunications Alliance, WC Docket Nos. 10-90, *et al*. (filed Jan. 18, 2012), at 5-8; Reply Comments of the Independent Telephone & Telecommunications Alliance, *et al*., WC Docket Nos. 10-90, *et al*. (filed Sept. 6, 2011), at 5-7.

[33] *See* ITTA Feb. 24th Comments at 7-8

[34] *See id*. at 8.

[35] *Iowa Utils. Bd. v. FCC*, 120 F.3d 753, 813 (8th Cir. 1997) (holding that the Commission's statutory authority relating to interconnection is limited in that the FCC can require access "only to an incumbent LEC's *existing* network – not to a yet unbuilt superior one").

reason. LECs should not be forced at this time to reach regional POIs simply because the transition to IP-based network architecture has begun to occur at the same time the Commission is implementing new intercarrier compensation rules. The current statutory regime serves the industry well while ensuring that transport costs remain reasonable. It should not be eliminated in a simplistic enthusiasm to replicate Internet POI architecture. The same logic applies to and requires rejection of some parties' suggestion that the Commission limit POIs to a single point per state.[36]

Rather, as ITTA and others previously have advocated, the Commission should defer consideration of POI rules to a later date and allow carriers to rely on existing TDM interconnection arrangements while they proceed with developing IP interconnection arrangements.[37] Particularly in light of the fact that the Commission's adoption of a mandatory bill-and-keep regime and other reforms is the subject of ongoing court challenges that will play out over the coming months, it would be prudent for the Commission to devote its resources at the present time to other less controversial matters that require more immediate attention.

V. ICLS IS A CORE ELEMENT OF COST RECOVERY AND MUST BE LEFT IN PLACE WHILE CARRIERS ADJUST TO THE TRANSITION

As ITTA advocated in its comments, the Commission should refrain from any further regulation of SLCs and instead give carriers the flexibility, once the transition is complete, to recover lost ICC revenues through SLCs or other end-user charges as they deem appropriate and as the competitive marketplace permits.[38] ITTA also shares the view of other parties that the Commission should refrain from interfering with carriers' ability to supplement SLC revenues

[36] *See* Charter Comments at 10-13.

[37] ITTA Feb. 24th Comments at 4; *see also* XO Comments at 7-8.

[38] *See* ITTA Feb. 24th Comments at 6-7.

with universal service mechanisms specifically designed to address common line recovery, such as ICLS.[39]

Given that any interstate common line costs not recovered from SLC revenues are recovered through ICLS, ICLS is an essential tool for allowing carriers to recoup interstate loop costs while maintaining reasonable prices for their customers. As other cost recovery mechanisms, such as the ARC and transitional ICC-replacement CAF support are reduced and eventually eliminated, it makes sense for the Commission to continue to maintain ICLS "to ensure a measured, predictable transition."[40] Indeed, retaining ICLS recovery through and beyond the transition will be particularly important for carriers in light of the fact that there will be fewer access lines that generate SLCs and ARCs as customers migrate to broadband.

CONCLUSION

For the reasons provided above, ITTA respectfully requests that the Commission adopt its recommendations with respect to the Commission's proposals for ICC reform.

Respectfully submitted,

By: /s/ Genevieve Morelli

Genevieve Morelli
Micah M. Caldwell
ITTA
1101 Vermont Ave., NW, Suite 501
Washington, D.C. 20005
(202) 898-1520
gmorelli@itta.us
mcaldwell@itta.us

March 30, 2012

[39] *See* Comments of the Nebraska Rural Independent Companies, WC Docket Nos. 10-90, *et al*. (filed Feb. 24, 2012), at 18.

[40] *Order* at ¶ 917.